

MEDIUM-TERM EXPRESS CREDIT PROGRAM AGREEMENT (INSURANCE)

The Medium-Term EXpress Credit Program Agreement (the “Agreement”), dated _____, 2000 between _____, a _____, (the “Participating Lender”) and the Export-Import Bank of the United States, an agency of the United States of America (“Ex-Im Bank”).

WHEREAS, the Participating Lender and Ex-Im Bank desire to participate in a pilot program for an expedited approval process for qualified medium-term export credits under Ex-Im Bank’s insurance program, under which the Participating Lender undertakes underwriting responsibilities and retains 5% of the risk of loss;

Now therefore, the parties agree as follows:

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SECTION 1. DEFINITIONS

1.1 Definitions

“Approved Loan” means an Eligible Loan for which Ex-Im Bank granted an approval under Section 4.1.

“Business Day” means any day on which the Federal Reserve Bank of New York and Ex-Im Bank are open for business.

“Eligible Loan” means a medium term export credit meeting each of the criteria set forth in Section 2.

“Policy” means a medium term credit insurance policy of a type listed on Schedule 1 hereto.

“Retention” has the meaning assigned thereto in Section 5.2.

SECTION 2. ELIGIBLE LOANS

2.1. Eligible Loans. To be eligible for expedited approval as set forth in Section 3, the proposed export credit must meet the each of the following criteria:

- (a) complies in all respects with the credit standards set forth in Appendix A;
- (b) complies in all respects with the policy criteria set forth in Appendix B;

- (c) principal amount not greater than \$1 million (excluding the Ex-Im Bank exposure fee (i.e. the insurance premium));
- (d) the sum of the principal amount added to the principal amount of all other Approved Loans owed by the same obligor to the Participating Lender does not exceed \$5,000,000; and
- (e) proposed repayment term of 1 to 5 years.

2.2 Supplier Credits Excluded. Transactions where the proposed credit is extended by the supplier or exporter to the obligor and purchased by the Participating Lender are not eligible for expedited approval under this Agreement.

SECTION 3. APPLICATION PROCESS

3.1 Submission. The Participating Lender may submit an eligible Loan for expedited Ex-Im Bank approval by delivering to Ex-Im Bank a fully completed Ex-Im Bank "Application for Medium-Term Export Credit Insurance Quotation Application Form," along with an accurate and complete supplement in the form of Appendix A, together with all required attachments.

Applications may be mailed or faxed:

Export-Import Bank of the United States
Attention: Medium-Term Express-Insurance
811 Vermont Avenue, NW
Washington, DC 20571

Fax: (202)-565 3677, attention: Ellen Lubetzky

3.2. Review. Upon receipt of an application, Ex-Im Bank may, but is not obligated, to review it. If, upon such review, Ex-Im Bank in its sole and absolute discretion determines that such application is incomplete or deficient in any way, Ex-Im Bank may elect to: (a) notify Participating Lender of any deficiencies; (b) process it in accordance with its standard procedures; or (c) deny it. Ex-Im Bank will communicate any such election to the Participating Lender within 2 Business Days. If Ex-Im Bank elects to notify the Participating Lender of deficiencies under (a) above, the Participating Lender must correct such deficiencies within 2 Business Days.

SECTION 4. APPROVAL PROCESS

4.1. Action Taken. Upon receipt of a completed Application, Ex-Im Bank will notify the Participating Lender, within 2 Business Days (or 3 Business Days in the case of a used equipment export), that the application for insurance has been: (a) approved; (b) referred for

standard processing; or (c) denied.

4.2 Approval. If the application is approved, Ex-Im Bank will issue the relevant Policy within 5 Business Days' of the approval notice.

4.3 Referral. If an application is referred for standard processing, the Participating Lender will be notified of approval or denial in accordance with Ex-Im Bank's procedures for transactions outside the Medium-term EXpress Credit program.

4.4. Denial. Ex-Im Bank may deny an Application if there are unresolved payment issues concerning the proposed borrower's or guarantor's debts to, or guaranteed or insured by, Ex-Im Bank, or for any other reason in the sole and absolute discretion of Ex-Im Bank.

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SECTION 5. RISK RETENTION

5.1. Maximum Liability. With respect to Approved Loans, Ex-Im Bank's maximum liability for loss shall not exceed 95% of "loss" as defined in the relevant Policy.

5.2 Risk Retention by Participating Lender. The Participating Lender must hold the remaining 5% ("Retention") for its own account, and without recourse to any other party, security or other credit support, or enhancement; provided that the Participating Lender may assign or otherwise transfer any promissory note issued for an Approved Loan or grant participations therein (except for the Retention).

SECTION 6. PARTICIPATING LENDER'S OBLIGATIONS

6.1 Books and Records. The Participating Lender agrees to keep complete and accurate books and records and maintain all material documents and information relating to Approved and Eligible Loans. The Participating Lender agrees to submit to Ex-Im Bank upon Ex-Im Bank's reasonable request any information with respect to any Approved or Eligible Loan within 5 Business Days of such request; provided that information necessary to complete an application shall be submitted within 2 Business Days pursuant to Section 3.2. The Participating Lender will also permit representatives of Ex-Im Bank to perform audits and make reasonable inspections of the Participating Lender's books, records and other information related to any Approved Loan or the Participating Lender's underwriting process and cause its officers and employees to give full cooperation and assistance in connection therewith.

6.2. Exercise of Due Care. The Participating Lender agrees, in performance of its obligations under this Agreement (including without limitation, preparation of applications submitted and provision of information), to exercise at all time the same degree of care and diligence as a prudent lender engaged in the business of export trade financing would exercise for similar transactions held for its own account without surety, collateral or other enhancement or

support.

6.3 Collateral. The Participating Lender is not required to obtain collateral to secure Approved Loans. If the Participating Lender does obtain such collateral, it agrees to share such collateral with Ex-Im Bank on a pro-rata basis.

SECTION 7. MODIFICATIONS TO POLICIES

7.1. Agreement Controls. This Agreement supplements and forms a part of the relevant Policy and any and all applications for Eligible Loans. The terms of this Agreement shall, to the extent possible, be interpreted consistent with the terms of the application or relevant Policy; provided, if the terms of this Agreement contradict the terms of such application or Policy, the terms of this Agreement shall control.

7.2. Insurance Policies. For all insurance issued for Approved Loans, the Policy shall contain a special Medium-term Express Credit endorsement and this Agreement shall be deemed incorporated by reference.

7.3 Reliance by Ex-Im Bank. Ex-Im Bank is entitled to rely on information, certifications and analysis by the Participating Lender hereunder and is under no obligation to make an independent review or confirmation thereof.

7.4 Timeliness. Time is of the essence with respect to the Participating Lender's obligations hereunder. Ex-Im Bank shall use good faith efforts to comply with its obligations hereunder within the time specified, but shall in no event incur any liability to the Participating Lender or any other person or entity for its failure to do so.

7.5 Effectiveness. As a condition precedent to the effectiveness of this Agreement, Ex-Im Bank shall have received, in form and substance acceptable to it, evidence of the authority (including specimen signatures) of each person who signed this Agreement and/or who will sign Appendix A supplements on behalf of the Participating Lender.

7.6 Termination. This Agreement shall terminate on the earlier of (a) _____ (unless the parties agree to a later date in writing) or (b) upon 15 days' prior written notice of termination given by one party to the other; provided that any such termination shall not affect any Approved Loan or insurance issued in connection therewith prior to the termination date.

7.7 Governing Law; Waiver of Jury Trial. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, U.S.A.

(b) FOR THE PURPOSES OF THIS AGREEMENT, THE PARTICIPATING LENDER AND EX-IM BANK HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OR OMISSIONS OF ANY PARTY HERETO, OR ANY OTHER PERSON, RELATING TO THIS AGREEMENT.

7.8 Notices. Except as otherwise specified, all notices or other communication concerning this Agreement or given hereunder shall be in writing in the English language, shall include the relevant Policy number, if any, and shall be given by mail, telefax, or personal delivery and deemed to be given for the purposes of this Agreement on the day that such notice is received by the intended recipient thereof. Unless otherwise duly noticed, all notices to the Participating Lender and Ex-Im Bank shall be delivered to the address and numbers set forth beneath their respective signatures below.

7.9 Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the respective successors and assigns of the parties hereto.

7.10 Entire Agreement. This Agreement and the relevant Policy, if any, contain the entire agreement between the parties hereto regarding such Policy. This Agreement contains the entire agreement between the parties hereto regarding all other matters relating to the Ex-Im Bank Medium Term Credit EXpress Program.

7.11 Amendment or Waiver. Except for the terms and conditions of Section 7.6 and this Section 7.11 Ex-Im Bank may change any of the terms and conditions of this Agreement. The Participating Lender shall be notified of any such action by Ex-Im Bank. Unless the Participating Lender consents in writing, no such change shall affect any Application approved by Ex-Im Bank prior to the date of such change. This Agreement may not be changed by the Participating Lender without the written consent of Ex-Im Bank. No provision of this Agreement may be waived by the Participating Lender without the written consent of Ex-Im Bank.

7.12 Reliance on Participating Lender's Evidence of Authority. Ex-Im Bank may rely on the evidence of authorization provided by the Participating Lender pursuant to Section 7.5, as modified by any notice delivered by the Participating Lender pursuant to Section 7.8 and Ex-Im Bank shall not be required to make any further inquiry with respect to the matters stated therein. The Participating Lender agrees to be irrevocably bound by each document required by this Agreement, or notice delivered hereunder, which is purportedly executed on behalf of the Participating Lender in a manner consistent with the evidence of authorization.

7.13 Counterparts. This Agreement may be signed in separate counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

7.14 English Language. All documents to be delivered by any party pursuant to the terms of this Agreement shall be in the English language, or, if originally written in another language, shall be accompanied by an accurate English translation upon which the other party shall have the right to rely for all purposes under this Agreement.

7.15 Severability. To the extent permitted by applicable law, the illegality or unenforceability of any provision of this Agreement shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, in duplicate, as of the _____ day of _____, _____.

[PARTICIPATING LENDER]

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EXPORT-IMPORT BANK OF THE UNITED STATES

By: _____

Name:

Title:

Address:

By: _____

Name:

Title:

Address:

811 Vermont Avenue, N.W.

Washington, D.C. 20571

Attention: Insurance Division

Tel:

Fax::

Tel: (202) 565-3630

Fax: (202) 565-3677

Medium-Term Insurance Policies

MSM (multiple shipments single sale policy)

MSM-E (multiple shipments single sale policy with sovereign obligor/guarantor)

MMP (multiple shipments single sale policy – political only cover)

MTS (single shipment single sale policy)

MTS-E (single shipment single sale policy with sovereign obligor/guarantor)

MTP (single shipment single sale policy – political only cover)

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